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reader, for technique alone is hardly economics, let alone good reading. For the graduate classroom, *Economic Logistics* provides a synthesis of basic mathematical programming with an imaginative

demonstration of its capabilities. For the rest of us, it is a reminder of tools developed over the past half-century and their power when in creative hands.

## Unheeded Prophecies or Misguided Meanderings?

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*Environmental Policy and the Economy*. Edited by F.J. Dietz, F. van der Ploeg, and J. van der Straaten. Amsterdam: North-Holland, 1991, 331 pages, \$69.50.

Reviewed by John K. Horowitz

This collection of articles made me fear for the earth's survival. But, should I? According to the authors, environmental problems and the inability of economies to deal with them seem to be leading to a great catastrophe. Yet, it's striking how little of the economy is actually affected by environmental problems. There are exceptions, of course, such as the pollution of the Aral Sea in Kazakhstan or the drought in southern Africa (if this can be attributed to global warming). Environmental degradation in the economy is mirrored primarily through citizens' concerns about ecosystem damage, not through declines in productivity. Many of the ecological-economic papers in this book just may be misguided.

This book collects 13 papers presented at "Economics of the Environment," a conference organized by the Center for Economic Research at Tilburg University, the Netherlands, in September 1990. It contains theory papers (optimal control, input-output analysis), simulations, experiments, contingent valuation and benefit-cost analysis, and qualitative discussion pieces. The editors, to their credit, have done a good job organizing such diverse papers.

The section on "Environmental-Economic Modeling" contains papers on exhaustible resources, stock and flow pollutants, and population growth in the context of sustainability. Most notable is the paper by Henk Peer on sustainability, which has the grand title, "An Inquiry into the Nature and Causes of the Wealth of Planet Earth." This paper investigates sustainability using a neoclassical growth model and includes two elements that are important in analyzing sustainability, namely positive population growth and the use of finite, nonrenewable resources. Sustainability means "a constant savings/investment ratio, a constant aver-

age productivity of capital, and a constant stock of the exhaustible resource (measured in years)" (p. 66). The author concludes that under reasonable conditions there exists a sustainable steady state for the world economy. This encouraging scenario (per capita consumption rising at 2 percent per year) is undercut by a lack of model details or any mention of initial conditions.

The "Valuation of the Environment" section is even more wide-ranging, including an experimental analysis of learning about the value of a public good, a contingent valuation study of the transformation of peat bogs on Scotland to commercial forest, and a discussion of the political economy of environmental issues. This latter paper, "Ecological Perception and Distribution Conflicts" by Joan Martinez-Alier is a criticism of modern economies' approaches to environmental problems. It finds fault with both neoclassical and ecological economics as economic paradigms. This chapter is a combination of poor or incorrect economic explanations and some genuinely good ideas, accompanied by some peculiar vocabulary like *elucubrations*, *chrematistic*, and *narodnism*.

The third section, "Environmental Policy," consists of three papers on the political economy of environmental policy instruments, legal aspects of marketable pollution permits, and the role of the firm in an "ecological economy." Marjan Peeters' chapter takes up legal issues pertaining to a tradeable-permits market that economists might otherwise overlook. For example, the "transfer of a pollution right will have as a consequence that the pollution will occur at another place or time than before" (p. 156), exposing private citizens who are near an industrial plant that purchases pollution rights to more pollution. Citizens' legal standing as "third persons," with certain rights pertaining to the pollutants they are exposed to, may depress the permit market if it results in few trades being allowed to take place.

The final section, "Economic Consequences of Environmental Policy," contains papers on carbon taxes in the United Kingdom, fertilizer use in the Netherlands, and chemical use in U.S. and EC agriculture. More focused than many others in the

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book, these papers show how specific environmental policies are modeled with enough information to understand the models. Economic ideas, however, take a backseat to the models' details. For

example, Ingham and Ulph's paper makes clear how the effects of carbon taxes are modeled, but they fail to discuss effects on profits or gross domestic product.

## Do Commodity Advertising and Promotion Pay?

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*Commodity Advertising and Promotion. Edited By Henry W. Kinnucan, Stanley R. Thompson, and Hui-Shung Chang. Ames: Iowa State University Press, 1992, 409 pages, \$44.95 (hardback)*

*Reviewed by Gary W. Williams*

Advertising to promote consumption of agricultural products and government support of these efforts have been around since the late 1800's. However, only in the past decade have agricultural economists begun to focus on the theory of commodity advertising and promotion and to measure the impacts in agricultural markets. Congress recently authorized mandatory producer assessments or "check-off" programs for milk (1983), beef, pork, and honey (1985), and soybeans (1990). The relatively huge sums of funds collected under these programs to support commodity promotion have spawned widespread debate regarding the effectiveness of such programs and the most efficient use of the funds collected.

Agricultural economists have responded to the need for information on the effects of commodity advertising, but in sources so diverse as to require extensive bibliographic searches. Fortunately, Kinnucan, Thompson, and Chang have pulled together 24 papers on agricultural commodity advertising and promotion research, originally presented at a 1989 conference sponsored by the Northeast Regional Committee on Commodity Promotion Programs (NEC-63).

Most papers in this volume focus on the response to advertising in various agricultural markets, including dairy, meat, potatoes, orange juice, wool, and fats and oils. The response measurement papers describe the theoretical basis of their work and the methodologies used in their analyses. Several other papers focus specifically on issues in theory and methodology.

The book includes six major topical sections. As is the case for most compilations of papers, however, the reasons for the particular organization of the

papers are not clear. Consequently, the organization seems a bit arbitrary. The foreword by Olan Forker, Chairman of NEC-63, provides some background on the conference and its objectives but does little to help the reader understand how the book is organized, why the book is divided into those particular topical sections, and the importance of the contribution of each paper.

The first section ("Ongoing Empirical Research on Generic Advertising") offers seemingly "miscellaneous" papers presented at the NEC-63 conference. The papers range from newspaper advertising strategies for apples in North Carolina to the use of split-cable scanner data in commodity advertising research. Taken individually, the papers provide an interesting look at some innovative work on commodity promotion effects and the use of scanner data in advertising research.

"Incorporating Advertising into Demand Systems" benefits from Hayes's cogent summary and evaluation of five papers. The papers do little to determine whether advertising pays, but they offer excellent examples of incorporating advertising into demand systems and attempts to measure cross-commodity influences on advertising. Hayes contends that poor data preclude the measurement of commodity advertising effectiveness.

The third section, "Effectiveness of Brand versus Generic Advertising" examines the impacts of generic and branded advertising in the fresh/processed potato and orange juice markets. This section is instructive and insightful, but largely ignores the effectiveness of generic *versus* brand advertising, and, instead, analyzes the performance of generic *and* brand advertising.

"Attitudes in Advertising Research" first evaluates the potency of generic advertising in the pork industry using several analytical approaches, including a multistage model to consider how advertising shapes the attitudes of consumers of fresh pork and subsequent pork consumption. Also investigated is the relative importance of various attitudinal variables to the frequency and per capita use of milk and dairy products. The discussion paper at the end of this section does not address the other two papers but analyzes measur-

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